OMNIBUS TRADE BILL/Reciprocity

SUBJECT: African Growth and Opportunity Act... H.R. 434. Roth motion to table the Hollings amendment No. 2485 to the Roth/Moynihan substitute amendment No. 2325.

ACTION: MOTION TO TABLE AGREED TO, 70-27

SYNOPSIS: As introduced, H.R. 434, the African Growth and Opportunity Act, will expand trade with the 48 Sub-Saharan African (SSA) nations by making qualifying SSA nations eligible for enhanced benefits under the Generalized System of Preferences (GSP) program, by giving qualifying SSA nations duty-free and quota-free access to the United States for certain apparel products, by creating a Trade and Economic Cooperation Forum between the United States and SSA countries, and by directing the President to begin plans for implementing a United States-SSA free trade area.

The Roth/Moynihan substitute amendment would enact the Trade and Development Act. The substitute: would include provisions similar to the House provisions to expand trade with SSA countries; would reauthorize the expired GSP program, which grants the President the authority to provide duty-free treatment to imports of eligible articles from designated countries; would reauthorize the expired Trade Adjustment Assistance (TAA) programs, which provide assistance to workers adversely affected by import competition; and would enact the United States-Caribbean Basin Trade Enhancement Act, which would expand the Caribbean Basin Initiative (CBI) by providing additional tariff preferences on a number of products not previously covered.

The Hollings amendment would add that the benefits provided by this Act would not be provided to any country until an agreement was implemented with that country that required it to provide tariff concessions for the importation of United States-made goods that reduced its import tariffs to rates identical to the tariff rates applied by the United States to that country ("reciprocity").

Debate was limited by unanimous consent. After debate, Senator Roth moved to table the Hollings amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

(See other side)

	YEAS (70)		NAYS (27)		NOT VOTING (2)	
	Republicans Democrats		Republicans	Democrats	Republicans	Democrats
	(45 or 87%)	(25 or 56%)	(7 or 13%)	(20 or 44%)	(2)	(0)
Abraham Allard Ashcroft Bennett Bond Brownback Burns Cochran Coverdell Craig Crapo DeWine Domenici Enzi Fitzgerald Frist Gorton Gramm Gramm Grams Grassley Hagel Hatch Hutchinson	Hutchison Inhofe Jeffords Kyl Lott Lugar Mack McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Gordon Specter Stevens Thomas Thompson Voinovich Warner	Baucus Bayh Biden Bingaman Breaux Bryan Conrad Daschle Dodd Feingold Feinstein Graham Harkin Kerrey Kerry Landrieu Leahy Lieberman Lincoln Moynihan Murray Reid Schumer Wellstone Wyden	Bunning Campbell Collins Helms Smith, Bob Snowe Thurmond	Akaka Boxer Byrd Cleland Dorgan Durbin Edwards Hollings Inouye Johnson Kennedy Kohl Lautenberg Levin Mikulski Reed Robb Rockefeller Sarbanes Torricelli	1—Offic 2—Nece 3—Illne: 4—Othe SYMBO AY—Ar	r LS: nounced Yea nounced Nay red Yea

VOTE NO. 348 NOVEMBER 2, 1999

Those favoring the motion to table contended:

Our goal, both with the SSA nations and with the CBI nations, is to achieve reciprocity, but we will not be able to achieve it if we demand it in one fell swoop. In fact, if that demand were met, we would end up hurting rather than helping development in and, consequently, trade with those countries. The CBI was started to respond to an economic crisis in the Caribbean and Central America in 1983, and the African trade bill is being passed to raise out of poverty countries that essentially have no manufacturing infrastructure. We gave preferential treatment under the CBI for a number of products in order to develop markets in the CBI nations, so that we could eventually establish reciprocal trading policies. Negotiations are under way now for a free trade zone encompassing all of the Americas. The process is gradual, though--without preferential treatment to protect non-competitive, infant industries in developing countries, those industries would be wiped out and no development would occur. This bill will follow the same course with Africa. It will give preferential treatment for textiles. To protect American textile companies, it will also add incentives for African nations to make products for export to the United States using of fabric and thread produced in the United States. The SSA countries have more than 700 million people yet only 1.7 percent of the United States' imports come from them, and less than 1 percent of the United States' exports go to them. The potential market is huge if we allow it to develop. We cannot demand that either the SSA or the CBI countries compete on equal terms now, though, as suggested by the Hollings amendment, because, if we do, they will fail and will not develop. We oppose that result and thus oppose this amendment.

Those opposing the motion to table contended:

We favor fair trade. It is not fair for the United States to bring in goods from other countries without imposing quotas or tariffs on those goods at the same time as those countries impose prohibitive quotas and tariffs on United States products. Our colleagues assume that if we demand reciprocal tariffs from the CBI and SSA nations, then they will not be able to compete effectively with the United States. In our opinion, demanding reciprocal treatment is the least that we should do. Undeveloped nations are not at the huge disadvantage that our colleagues suggest. They can, and do, produce products more cheaply than is possible in the United States because they pay their workers slave wages, they make them work obscenely long hours, they spend nothing on making workplaces safe, and they spend nothing to prevent environmental pollution. Reciprocity was demanded under the North American Free Trade Agreement (NAFTA), and it has not resulted in any huge disadvantage for Mexico. The United States went from running a huge trade surplus with Mexico to running a huge deficit. We expect the United States will lose even more jobs as a result of this bill than it has as a result of NAFTA, and it will run trade deficits with the SSA and CBI nations. That damage would be partially removed if we at least gave American businesses equal tariff treatment. The Hollings amendment would provide that treatment and should therefore be supported.